

8

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

D-1, MICHAEL RYMAR,

Defendant.

Case:2:21-cr-20208

Judge: Lawson, David M.

MJ: Stafford, Elizabeth A.

Filed: 03-24-2021 At 04:31 PM

INDI USA V MICHAEL RYMAR (LG)

VIOLATIONS: 18 U.S.C. § 641

INDICTMENT

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The United States Postal Service ("USPS") enters into agreements with contractors to perform building repair work on USPS post offices. USPS facilities engineers have the authority to award contracts up to \$10,000.

2. In advance of construction work for USPS, contractors are asked to submit proposals to the assigned USPS facilities engineer outlining the contractors' cost and profit breakdown for each job.

3. When the work is complete, contractors must provide the assigned engineer with an invoice for the completed work and certified payroll records for

wages paid to their own employees. In the form USPS uses for payroll information, the Department of Labor Form WH-347 – Payroll (“Payroll form”), contractors must provide employees’ names, the dates and hours they worked, the location of the job, and their rates of pay. The signature section of this form contains a warning that “the willful falsification of any of the above statement may subject the contractor or subcontractor to civil or criminal prosecution.”

4. The defendant, **MICHAEL RYMAR**, through his business, Horizons Materials & Management (“Horizons”), a Rochester Hills, Michigan limited liability company, performed contract work for USPS from 2011 until 2018. In this timeframe, USPS paid **RYMAR** over \$5 million. The vast majority of these jobs were less than \$10,000.

ILLEGAL SCHEME

5. Beginning at an unknown date, but at least by 2015 and continuing through at least January 2018, **MICHAEL RYMAR**, defendant herein, in the Eastern District of Michigan, did willfully and knowingly execute a scheme to embezzle, steal, and purloin, and unlawfully converted to his own use, money of the United States.

6. Engineers awarded **MICHAEL RYMAR** contracts for repair work on USPS post offices in various locations, including in Michigan and New York. Once

MICHAEL RYMAR learned about the job, he hired and paid a subcontractor located near the post office or had his workers perform the work.

7. It was part of the scheme that **MICHAEL RYMAR** provided paperwork to the assigned engineer that contained false and fraudulent statements, including false statements of Horizons' profit, work performed by Horizons' employees, and amounts paid to subcontractors.

8. It was part of the scheme that **MICHAEL RYMAR** frequently provided quotes of the cost breakdown to the assigned engineer after the work for the job had already been performed by the subcontractor, so after **RYMAR** knew the actual costs. In these quotes, **MICHAEL RYMAR** falsely and fraudulently stated amounts for subcontractors, including as reflected in the following chart:

USPS Job Number & Location	Date work completed	Date quote sent	Amount claimed for subcontractor	Amount paid subcontractor
No. 2572039 / Painted Post, NY	12/7/16	3/23/17	\$6,865	\$4,865
No. 2707170 / Marquette, MI	9/15/17	9/23/17	\$6,758	\$3,447.75
No. 2692757 / Marquette, MI	11/2/17	1/11/18	\$7,400	\$3,700
No. 2687941 / Iron Mountain, MI	11/10/17	1/11/18	\$7,160	\$5,380.94

9. It was part of the scheme that, in the invoices provided to USPS, **MICHAEL RYMAR** likewise inflated the amount he actually paid to the subcontractor, and these inflated costs matched the quotes:

Date of invoice	USPS Job Number & Location	Amount in invoice paid to subcontractor	Amount Horizons actually paid subcontractor
1/1/17	No. 2572039 / Painted Post, NY	\$6,865	\$4,865
9/5/17	No. 2687941 / Iron Mountain, MI	\$7,160	\$5,380.94
9/28/17	No. 2707170 / Marquette, MI	\$6,758	\$3,447.75
12/1/17	No. 2692757 / Marquette, MI	\$7,400	\$3,700

10. Over the course of the scheme, **MICHAEL RYMAR** engaged in numerous fraudulent transactions that followed a similar pattern. **MICHAEL RYMAR** provided documents to the USPS that claimed Horizons paid subcontractors much more than it actually did and that inflated Horizons' labor and materials costs. In these documents, **MICHAEL RYMAR** also misrepresented the amount of profit Horizons made. In total, over the course of the scheme, **MICHAEL RYMAR** defrauded the USPS of over \$1.2 million.

COUNT ONE

18 U.S.C. § 641 – Theft of Government Money

D-1, MICHAEL RYMAR,

11. The allegations of paragraphs 1 through 10 are incorporated herein by reference.

12. From on or about 2015 and continuing through January 2018, in the Eastern District of Michigan, Southern Division, defendant **MICHAEL RYMAR** did willfully and knowingly embezzle, steal, purloin, and unlawfully convert to his own use money of the United States in excess of \$1,000, in violation of Title 18, United States Code, Section 641.

CRIMINAL FORFEITURE

18 U.S.C. § 981(a)(1)(C) with 28 U.S.C. § 2461(c)

D-1 MICHAEL RYMAR,

13. The above allegations contained in this Indictment are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c).

14. As a result of the violations, as set forth in Count One (18 U.S.C. § 641) of this Indictment, defendant **MICHAEL RYMAR** shall forfeit to the United States any property, real or personal, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violations, pursuant to

18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c). Forfeiture includes, but is not limited to, the forfeiture of Defendant's interest in the following property:

- a. \$128,188.68 in funds from in PNC Bank account no. XX-XXXX-2837, titled to Horizons Materials & Management, LLC;
- b. All funds on deposit in Raymond James & Associates, Inc. account no. XXXXF145 titled to Michael and/or Janina Rymar;
- c. All funds held in Raymond James & Associates, Inc. account no. XXXXM865, in the name of Michael Rymar; and
- d. All funds held in Raymond James & Associates, Inc. account no. XXXXD873, in the name of Janina Rymar.

15. **Money Judgment:** Property subject to forfeiture also includes, but is not limited to, a forfeiture money judgment in an amount to be determined by the Court, representing the total amount of gross proceeds obtained by **MICHAEL RYMAR** as a result of the violations as set forth in Counts One (18 U.S.C. § 641) of this Indictment, entered against defendant **MICHAEL RYMAR**, in favor of the United States.

16. **Substitute Assets:** If the property described above as being subject to forfeiture, as a result of any act or omission of defendant **MICHAEL RYMAR**:

- a. cannot be located upon the exercise of due diligence;

- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States to seek to forfeit any other property of defendant **MICHAEL RYMAR**, up to the value of the forfeitable property described above, as a substitute asset.

THIS IS A TRUE BILL.

/s/ Grand Jury Foreperson

Grand Jury Foreperson

SAIMA S. MOHSIN
Acting United States Attorney

DAVID A. GARDEY
Assistant United States Attorney
Chief, Public Corruption Unit

/s/ Steven P. Cares
STEVEN P. CARES
Assistant United States Attorney
United States Attorney's Office
211 W. Fort Street, Ste. 2001
Detroit, MI 48226
313-226-9139
Steven.Cares@usdoj.gov

Dated: March 24, 2021

United States District Court
Eastern District of Michigan

Criminal Case Cover Sheet

Case: 2:21-cr-20208
Judge: Lawson, David M.
MJ: Stafford, Elizabeth A.
Filed: 03-24-2021 At 04:31 PM
INDI USA V MICHAEL RYMAR (LG)

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: SAC

Case Title: USA v. Michael Rymar

County where offense occurred : Oakland

Check One: ☒ Felony ☐ Misdemeanor ☐ Petty

☒ Indictment/ ☐ Information --- no prior complaint.
☐ Indictment/ ☐ Information --- based upon prior complaint [Case number: _____]
☐ Indictment/ ☐ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- ☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:


Defendant name

Charges

Prior Complaint (if applicable)

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

March 24, 2021
Date


STEVEN P. CARES
Assistant United States Attorney
211 W. Fort Street, Suite 2001
Detroit, MI 48226-3277
Phone: 313-226-9139
Fax: 313-226-3271
E-Mail address: steven.cares@usdoj.gov
Attorney Bar #: P68503

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.